

IMPLEMENTATION REVIEW OF AWARD FOR STREAMLINED  
TECHNOLOGY ACQUISITION RESOURCES  
FOR SERVICES (STARS) GOVERNMENT-WIDE  
ACQUISITION CONTRACT (GWAC)  
REPORT NUMBER A050213/Q/6/P07001  
DATED DECEMBER 27, 2006  
ASSIGNMENT NUMBER A090024

March 31, 2009



U.S. GENERAL SERVICES ADMINISTRATION  
Office of Inspector General

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Date : March 31, 2009

Reply to  
Attn of : Acquisition Programs Audit Office (JA-A)

Subject : Implementation Review of Award for Streamlined Technology Acquisition Resources for Services (STARS) Government-Wide Acquisition Contract (GWAC)  
Report Number A050213/Q/6/P07001 dated December 27, 2006  
Assignment Number A090024

To : James A. Williams  
Commissioner, Federal Acquisition Service (Q)

The Acquisition Programs Audit Office conducted an implementation review of management's actions taken in response to the five recommendations included in the subject audit report. The audit report presented the results of a review of controls in place to ensure that the Small Business Governmentwide Acquisition Center's (Center's) administration of the 8(a) Streamlined Technology Acquisition Resources for Services (8(a) STARS) contracts was adequate in providing reasonable assurance that these contracts were being used properly. A formal action plan provided by the Federal Acquisition Service (FAS) on February 22, 2007 addressed the recommendations and identified specific steps to be completed with the assistance of the Center to improve the controls and oversight of the 8(a) STARS program. Attachment A contains a copy of the management action plan your office provided.

### **Background**

The 8(a) STARS Governmentwide Acquisition Contract (GWAC) is a small business set-aside contract for technology solutions offered by the General Services Administration's (GSA's) FAS. It enables customer agencies to fulfill their information technology (IT) services and services-based solutions requirements and at the same time receive credit toward socioeconomic goals through utilizing small businesses that are 8(a) certified. In turn, the program encourages small businesses to develop and strives to provide them an opportunity to become "best in class" technology providers. On behalf of customer agencies, delegated ordering contracting officers (OCOs) can procure a variety of IT services and associated products from 8(a) STARS vendors, as the 8(a) STARS contract covers eight functional areas designated by the North American Industry Classification System.

### **Objective, Scope, and Methodology**

The objective of this implementation review was to determine whether appropriate corrective action as stated in the proposed action plan issued in response to the Review of Award for Streamlined Technology Acquisition Resources for Services (STARS) Government-Wide Acquisition Contract (GWAC), Report Number A050213/Q/6/P07001 dated December 27, 2006 (original report) had been taken.

A portion of our testing was based on a judgmental sample of ten task orders selected on October 17, 2008. The sample task orders were the ten largest dollar task orders, which were all greater than \$4,000,000; and represented 15% of the total value of all task order awards and modifications under the 8(a) STARS contract for the period May 1, 2007 through October 17, 2008. We chose this time period because the action plan listed April 2007 as the final date to have completed all corrective actions.

To accomplish the objective of our review, we:

- Reviewed the Review of Award for Streamlined Technology Acquisition Resources for Services (STARS) Government-Wide Acquisition Contract (GWAC), Report Number A050213/Q/6/P07001 dated December 27, 2006 and all supporting audit evidence.
- Reviewed the action plan and related documentation dated February 22, 2007 in response to the original report, as well as additional evidence submitted by Center officials to support that action plan.
- Reviewed a judgmental sample of ten task orders on a limited basis to ensure corrective actions were effective.
- Performed testing on two additional task orders to ensure that they were awarded within the scope of the contract and appropriate functional area.
- Held discussions with program officials, including Center management and program personnel.
- Reviewed applicable subparts of the Federal Acquisition Regulation.
- Reviewed the 8(a) STARS contract, website, and ordering guidelines.

We conducted this review during October 2008 through February 2009 in accordance with the generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **RESULTS OF REVIEW**

The results of our implementation review indicate that the Center has taken appropriate corrective action as stated in the action plan issued in response to the original report, Review of Award for Streamlined Technology Acquisition Resources for Services (STARS) Government-Wide Acquisition Contract (GWAC), Report Number A050213/Q/6/P07001. All of the actions taken by the Center in response to the recommendations from the original report mitigate risk and enhance the integrity of the 8(a) STARS program. While the Center has implemented management controls to satisfy the objective of this review, we noted areas for improvement that could be implemented to further strengthen the controls already in place.

**Recommendation #1 – We recommend that the Center modify the STARS contract to clearly explain the conditions under which users can deviate from the other direct cost (ODC) limitations set forth in the STARS contract.**

In the original report, the audit team concluded that the Center's controls to monitor ODCs were thought to be reasonable, but could be strengthened in order to provide greater assurance that task order costs were predominately for services. In the action plan, the Center stated that it had already modified the contract and planned to amend the ordering guide to clarify the language pertaining to ODCs. As part of this review, the Center provided us with the clarifying modification and supporting documentation demonstrating that this was completed and

disseminated to all vendors in a timely manner. In addition, we reviewed the ordering guide and verified that the language explaining the use of ODCs had been clarified.

To verify that the Center's remediation actions had deterred any abuses in this area, we selected a sample of ten task orders and examined them for ODC limitation violations. For the task orders in which ODCs were identifiable, we did not find evidence of abuse. Further, we determined that compared to the total task order values, the dollar amounts of ODCs were minimal; reducing the risk of abuse in this area.

**Recommendation #2 – We recommend that the Center take corrective action to address the out of scope task orders identified in our review.**

In the original report, the audit team found that the Center's controls to prevent and detect task orders that had been awarded outside of the scope of the contract or competed under an inappropriate functional area did not appear to be adequate. In the sample of task orders the audit team reviewed, they identified two task orders that appeared to be outside of the scope of the 8(a) STARS contract and the selected functional area. The Center had not previously determined that these task orders had potential scope violations. Failure to strengthen the controls in this area could have caused potential misuse of the contract and ultimately, jeopardize the program.

In the action plan, the Center addressed the two task orders separately. It noted that one of the task orders had already expired and was no longer on the 8(a) STARS contract. The planned remediation for the other task order was to not exercise the next option period and transition that order to another contracting vehicle. The Center provided us with the modifications and supporting documentation that these measures had been taken.

As part of this implementation review, we selected a sample of ten task orders and examined them for instances in which awards had been made outside the scope of the contract or the functional area. We did not identify any scope violations. In addition to this testing, to ensure that the customer agencies and vendors identified with scope issues in the original report had not returned to the 8(a) STARS program with an order for similar work, we pulled a judgmental sample of two task orders, one task order for each customer agency and vendor pairing for the period May 1, 2007 through October 17, 2008. We found that for one of the sample task orders, the scope was appropriate for the 8(a) STARS contract and the functional area; and there were no similarities found. The other task order had been identified by Center personnel as one that was neither awarded properly within the parameters of the contract, nor was it awarded by a delegated OCO. After identifying these issues, the Center cancelled the task order. We commend them for their improved attention to detail and communication in order to mitigate this improper contracting action.

**Recommendation #3 – Focus task order reviews on the highest risk orders (task orders greater than \$3 million); task orders for the largest vendors and largest clients; and task orders with new stakeholders.**

**Recommendation #4 – Develop a standardized statement of work (SOW) review process to maintain consistency in scope review.**

As mentioned previously, the original report stated that the Center's controls to prevent and detect out of scope task orders did not appear to be adequate to ensure that improper use of

the 8(a) STARS contract was not occurring; therefore, placing the integrity of the program at risk. In the action plan, the Center cited the Office of Management and Budget (OMB)

designation which requires a quality assurance plan to include a measure to review between 95% and 99% of task orders over \$100,000 within 60 days of notice of issuance of the order. In addition, the Center stated that it had created a systematic SOW review process prior to issuance of orders to allow better control over task order management for high risk and high dollar orders.

As part of the implementation review, we reviewed GSA's quality assurance plan, as required by OMB and the Center's pre- and post-award SOW review processes. The Center has developed a standardized SOW review process in order to maintain consistency in scope reviews which allows for better control over task order management. The Center requires a post-award SOW review on all task orders, which satisfies the review requirements as stated in the quality assurance plan; and, also offers an optional pre-award SOW review. We recognize the pre-award SOW reviews as an additional value-added feature provided by the Center which assists in mitigating the risk of awarding a task order outside of the scope of the contract or designated functional area.

When performing a post-award SOW review, the Center developed a post-award SOW review form, which requires the documentation of basic information pertaining to the task order. In order to ensure that the Center had fully implemented this control on all task orders awarded under the contract as stated, we reviewed the post-award SOW review form for seven of the ten<sup>1</sup> task orders in our sample selection. While we acknowledge that these forms serve as a management control, we noted form improvements that could be implemented to further strengthen the processes already in place. These suggested improvements are outlined below.

Identification of Reviewer. We suggest that the Center add a method to identify who completed the post-award SOW review form. This is an accountability measure that could improve the review process if there are any follow-up questions regarding the forms or any outstanding issues that need to be addressed.

Completeness of the Form. During our analysis of the post-award SOW review forms for our selected task order sample, we noted that the forms were not fully completed. While the absence of this information did not indicate any abuses within the parameters of our review, filling out the forms in their entirety would provide a more complete picture of the task order and the SOW review performed.

Follow-up of Comments/Recommendations. Some of the post-award SOW review forms we examined included additional comments noting the reviewer's questions or concerns. However, the resolution of these items was not always noted on the forms. We suggest that the Center ensure that all questions or concerns documented on the post-award SOW review form are not only addressed, but that the resolution is also detailed on the form. This allows for ease of reference for all users of the task order file.

**Recommendation #5 – Develop standardized procedure for timely review and follow-up of subcontracting reports.**

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<sup>1</sup> The post-award SOW review forms for three task orders in our sample selection were not available for review because at the time of task order awards, the Center did not require the completion of these forms.

In the original report, the audit team found that the Center's controls to prevent and detect disproportionate subcontracting did not appear to be adequate. The audit team identified multiple task orders that had a probability of violating subcontracting procurement regulations. Highly disproportionate subcontracting levels jeopardize a vendor's ability to develop its own staff and expertise and also negatively affect the 8(a) STARS program, in that it is designed to support small and disadvantaged businesses.

In the action plan, the Center acknowledged its intent to develop a standardized procedure for timely review and follow-up of subcontracting reports. As part of this implementation review, the Center provided us with documentation to illustrate its subcontracting report and review procedures. In addition, we reviewed documentation to support instances in which the Center took action when they recognized the potential for a subcontracting violation.

To ensure that the Center is monitoring 8(a) STARS vendors' subcontracting levels, we selected a sample of ten task orders and reviewed the vendors' corresponding subcontracting reports. Of the subcontracting reports we reviewed<sup>1</sup>, we determined that they were all currently in compliance with procurement regulations; thus, preserving the integrity of the 8(a) STARS program.

### **CONCLUSION**

As a result of our analyses and testing, we determined that the Center has taken appropriate corrective actions as stated in the action plan issued in response to the original report. However, we noted areas for improvement related to the Center's post-award SOW review form. Overall, we found that the Center has made significant positive changes to the controls of the 8(a) STARS program since the original report and we commend the Center's efforts to manage the risks of this program.

### **INTERNAL CONTROLS**

The scope of this review was limited to assess whether appropriate corrective action as stated in the action plan dated February 22, 2007 was taken by management. Thus, our assessment and evaluation of internal controls was limited to the issues identified in the original report and were discussed in the Results of Review section.

If you have any questions regarding this review, please contact Dorinda Burton, Laurel Caes, or me at (816) 926-7052.



**Michelle L. Westrup**  
Audit Manager  
Acquisition Programs Audit Office

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<sup>1</sup> The subcontracting reports for two task orders in our sample selection were not available for review because the task orders had not been in effect for an entire 6-month subcontracting reporting period.

## APPENDIX

IMPLEMENTATION REVIEW OF AWARD FOR STREAMLINED  
TECHNOLOGY ACQUISITION RESOURCES  
FOR SERVICES (STARS) GOVERNMENT-WIDE  
ACQUISITION CONTRACT (GWAC)  
REPORT NUMBER A050213/Q/6/P07001  
DATED DECEMBER 27, 2006  
ASSIGNMENT NUMBER A090024

Appendix A – Action Plan for the Review of Award For Streamlined Technology Acquisition  
Resources for Services (STARS) Government-Wide Acquisition Contract (GWAC),  
Report Number A050213/Q/6/P07001, Dated December 27, 2006



GSA Federal Acquisition Service

FEB 22 2007

MEMORANDUM FOR ANDREW PATCHAN  
ASSISTANT INSPECTOR GENERAL FOR AUDITING (JA)

FROM:

*for* JAMES A. WILLIAMS  
COMMISSIONER  
FEDERAL ACQUISITION SERVICE (Q)

SUBJECT:

GSA Final Report, "Review of Award for Streamlined Technology Acquisition Resources for Services (STARS) Government-wide Acquisition Contract (GWAC)" (A050213/Q/6/P07001), dated December 27, 2006

My staff and I have reviewed and subject report and concur with the report recommendations. Copies of time-phased action plans reflections actions taken and planned are attached.

A copy of the signed Management Decision Record is also attached.

Please call me at (703) 605-5400 if you have any questions. Your staff may contact Cathy Fick at (703) 605-5452 for additional information.

6 Attachments

cc: Arthur L. Elkin (JA-6)

cc: *GF*  
*GF*

U.S. General Services Administration  
2200 Crystal Drive  
Arlington, VA 20406-0003  
www.gsa.gov

## ACTION PLAN

**Designated Responding Official:** Mary Parks , SBGWAC Center  
**Contact Person:** Matthew Verhulst, Contracts Division, SBGWAC Center  
**Telephone Number:** 816-926-1366  
**Date:** February 13, 2007

Report Number/Title	Recommendation Number	Proposed Completion Date
A   0   5   0   2   1   3   Q   6   P   0   7   0   0   1	0   1	0   4   3   0   0   7

### Recommendation

1. We recommend that the Center modify the STARS contract to clearly explain the conditions under which users can deviate from the ODC limitations set forth in the STARS contract

Action to be Taken Step by Step	Supporting Documentation to be sent To BECA	Documentation will be Sent Last Day of
1. Contract was modified to clarify that ODC's did not apply to fixed priced orders.	Modification attached	Completed and attached with Action plan
2. Ordering guide is being modified to contain clarifying language on the use of ODC's.	Will be submitted when complete.	April 2007

<b>AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT</b>		1. CONTRACT ID CODE	PAGE OF PAGES 1 3
2. AMENDMENT/MODIFICATION NO. PS 00X	3. EFFECTIVE DATE See 16C	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
6. ISSUED BY GSA/FSS/SBGWAC Center (6FGC) 1500 E. Bannister Road Kansas City, MO 64131		7. ADMINISTERED BY (If other than Item 6) same as block 6	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)		(√)	9A. AMENDMENT OF SOLICITATION NO.
Company Name			
Company Address			9B. DATED (SEE ITEM 11):
Company City, State Zip		(√)	10A. MODIFICATION OF CONTRACT/ORDER NO. <b>Contract Number</b>
CODE	FACILITY CODE		10B. DATED (SEE ITEM 13) <b>Contract Award Date</b>

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

[ ] The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [ ] is extended, [ ] is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:  
 (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or  
 (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

**12. ACCOUNTING AND APPROPRIATION DATA (If required)**

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

<input type="checkbox"/>	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
<input type="checkbox"/>	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
<input checked="" type="checkbox"/>	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 43.103(a)
<input type="checkbox"/>	D. OTHER (Specify type of modification and authority)

**E. IMPORTANT:** Contractor [ ] is not, [XXX] is required to sign this document and return 1 copies to the issuing office.

**14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)**

The above reference contract is hereby modified per the attached.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.			
15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) HOWARD L. INNIS or MISTY J. CLAYPOLE CONTRACTING OFFICER	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY (Signature of Contracting Officer)	

Purpose of this Modification

- (1) Change the title of Section B.3.1.1

From **“Applying ODCs and Handling Rates”**  
To **“Applying ODCs and Handling Rates for Time and Materials (T&M) and Labor Hour (L-H) task orders”**

- (2) Clarify how to price fixed price task orders

The ODC Modification (effective May 6, 2005) never applied to Fixed Price task orders. Fixed Price task orders are to be priced in accordance with FAR Subpart 15.4, Pricing and FAR Subpart 16.2, Fixed-Price Contracts.

- (3) Add Misty J. Claypole as a co-Procuring Contracting Officer (PCO)

- (4) Replace Section G.4 Delegation of ordering authority with the following:

**G.4 Delegation of ordering authority**

a. Only warranted, federal government contracting officers may issue orders, and to so they require a delegation of ordering authority. In order to request delegation of ordering authority, submit the following to [8a@gsa.gov](mailto:8a@gsa.gov), [howard.innis@gsa.gov](mailto:howard.innis@gsa.gov), or [misty.claypole@gsa.gov](mailto:misty.claypole@gsa.gov):

Agency name  
Agency full address  
Contracting Officer Phone  
Contracting Officer Fax  
Contracting Officer email  
A copy of Contracting Officer's warrant

b. All orders are subject to the terms and conditions of the original contract, as amended/modified. In the event of a conflict between an order and the contract, the contract will take precedence.

c. All costs associated with preparation, presentation and/or discussion of the Contractor's order proposal will be at the Contractor's expense and will not be directly charged to the Government.

d. No work will be performed and no payment will be made except as authorized by an Order.

e. A Order will be considered to be issued in accordance with Clause 52.216-18 – Ordering (OCT 1995) – Section I.3.

f. An order can only be issued by a delegated, warranted contracting officer.

g. Orders issued under this contract will not be announced in the FEDBIZOPPS.

*h. Any required change to a previously issued order will be issued in writing by the contracting officer for the order.*

For orders to be issued with an estimated value of less than \$3 Million (inclusive of options and/or modifications), the following will apply.

Orders may be awarded on a direct order basis up to \$3 million based upon self-marketing or past performance. The Ordering Contracting Officer shall make a determination of price reasonableness for each order.

For orders to be issued with an estimated value of greater than \$3 Million (inclusive of options and/or modifications), the following will apply.

All orders expected to exceed \$3 Million shall provide for fair opportunity among all contract holders within the applicable Functional Area. All the necessary information (i.e. Bill of Materials, Statement of Work, Evaluation Criteria, etc.) shall be disseminated in order to afford all GWAC contract holders within the required functional area fair opportunity to receive order award.

**All contract holders must register in IT Solutions at <http://it-solutions.gsa.gov>. It is the responsibility of the contract holder to maintain current and accurate information in their IT Solutions profile for the distribution of RFQ postings.**

(5) All other terms and conditions remain unchanged.

<b>Report Number/Title</b>	<b>Recommendation Number</b>	<b>Proposed Completion Date</b>
A   0   5   0   2   1   3   Q   6   P   0   7   0   0   1	0   2	0   9   3   0   0   7

**Recommendation**

2. We recommend that the Center take corrective action to address the out of scope task orders identified in our review.

<b><u>Action to be Taken Step by Step</u></b>	<b><u>Supporting Documentation to be sent To BECA</u></b>	<b><u>Documentation will be Sent Last Day of</u></b>
1. Contracts Division Director and Ordering Contracting Officer have agreed that the next option will not be exercised so that an orderly transition to a different contract vehicle can be made.	There is no supporting documentation, occurred telephonically	Completed
2. This task has expired and is no longer on 8(a) STARS.	OF347 attached with Period of Performance annotated	Attached with Action plan.

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(02) 2

ORDER FOR SUPPLIES OR SERVICES

PAGE OF PAGES

1 18

IMPORTANT: Mark all packages and papers with contract and/or order numbers.

1. DATE OF ORDER 09/30/2005	2. CONTRACT NO. (If any) GS-06F-0410Z	3. ORDER NO. HHSM-500-2005-00191G	4. REQUISITION/REFERENCE NO. 765-5-652502
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5. ISSUING OFFICE (Address correspondence to) CMS, OAGM, AGG, DBSC 7500 SECURITY BLVD., MS: C2-21-15 BALTIMORE MD 21244-1850	6. SHIP TO: (Consignee and address, ZIP Code) Not Applicable
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7. TO: CONTRACTOR (Name, address and ZIP Code) Z-Tech Corporation Attn: Verl Zanders 1803 Research Boulevard Suite 301 Rockville MD 20850	8. TYPE OF ORDER <input type="checkbox"/> A. PURCHASE - Reference your _____ Please furnish the following on the terms and conditions specified on both sides of this order and on the attached sheets, if any, including delivery as indicated. This purchase is negotiated under authority of:  <input checked="" type="checkbox"/> B. DELIVERY Except for billing instructions on the reverse, this delivery order is subject to instructions contained on this side only of this form and is issued subject to the terms and conditions of the above numbered contract.
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9. ACCOUNTING AND APPROPRIATION DATA 754/50511, 55998626, 252Z	10. REQUISITIONING OFFICE CENTER FOR BENEFICIARY CHOICES
	11. BUSINESS CLASSIFICATION <input checked="" type="checkbox"/> SMALL <input type="checkbox"/> OTHER THAN SMALL <input checked="" type="checkbox"/> DISADVANTAGED <input type="checkbox"/> WOMEN-OWNED

12. F.O.B. POINT Destination	14. GOVERNMENT B/L NO.	15. DELIVER TO F.O.B. POINT ON OR BEFORE (Date) 09/29/2006	16. DISCOUNT TERMS Net 30
13. PLACE OF INSPECTION AND ACCEPTANCE Destination			

17. SCHEDULE (See reverse for Rejections)

ITEM NO. (a)	SUPPLIES OR SERVICES (b)	QUANTITY ORDERED (c)	UNIT (d)	UNIT PRICE (e)	AMOUNT (f)	QUANTITY ACCEPTED (g)
0001	Tax ID Number: [REDACTED] DUNS Number: [REDACTED] Pursuant to the terms and conditions of Contract No. GS-06F-0410Z the Contractor shall provide the services described in the attached Statement of Work (15 pages) for the T&M rates on the attached rate sheet (1 page). Period of Performance: 09/30/2005 to 09/29/2006 Auto enrollments of Full-Benefit Dual Continued ...				1,595,808.00	

SEE BILLING INSTRUCTIONS ON REVERSE	18. SHIPPING POINT	19. GROSS SHIPPING WEIGHT	20. INVOICE NO.	\$1,595,808.00	17(h). TOT (Cont pages)
	21. MAIL INVOICE TO: (Include ZIP Code) DHHS, CMS, OFM, FSG Div. of Financial Operations, P.O. Box 7520 Baltimore MD 21207-0520			\$1,595,808.00	17(i). GRAND TOTAL

22. UNITED STATES OF AMERICA  BY (Signature)	23. NAME (Typed) DEBRA A. HOFFMAN TITLE: CONTRACTING/ORDERING OFFICER
--	---

Report Number/Title	Recommendation Number	Proposed Completion Date
A   0   5   0   2   1   3   Q   6   P   0   7   0   0   1	0   3	1   2   3   0   0   6

**Recommendation**

3. Focus task order reviews on the highest risk orders (task orders greater than \$3 million); task orders for the largest vendors and largest clients: and task orders with new stakeholders

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent To BECA</u>	<u>Documentation will be Sent Last Day of</u>
1. The center has created a systematic statement of work review process prior to issuance of orders which allows better control over task order management for high risk and high dollar task orders	Documentation attached	Completed
2. The OMB Executive Agent Designation required a Quality Assurance Plan which included a measure to review 95-99% of orders over \$100,000 within 60 days of notice of issuance of the order.	QAP is attached see page 9	Completed

(03) 1a



General Services Administration  
Small Business GWAC Center  
Contracts Division

December 28, 2005

MEMORANDUM FOR 6FGC

FROM:

*MTV*  
Matt T. Verhulst  
Director, Contracts Division

Statement of Work (SOW) review meetings by committee shall be held for all prospective, a/k/a "advance" or "up front", SOWs this Division provides advisory technical and/or business feedback on. Currently the review meetings are held twice a week and are mandatory for all Division associates to attend and participate. The meetings are regularly scheduled as one-hour sessions held on Tuesdays at 9:00 AM and Thursdays at 1:00 PM. A written copy of each SOW and the team's consensus findings shall be maintained in the master SOW binder, with each year's binder(s) being centrally maintained. Feedback to parties requesting this Division's feedback shall be returned on GSA letterhead and shall include not only SOW specific consultations, but also a list of our standard best practice reminders. The party responsible for the feedback is the contracting officer for the applicable GWAC.

SOW meetings regarding issued task orders shall consist of those that are deemed questionable by the initial reviewer. These meetings coincide with the advance SOW reviews. The initial reviewer is charged with completing and retaining the record of the team's findings on each SOW reviewed. Those records shall be centrally maintained alongside the advance SOW records in yearly binders.

U.S. General Services Administration  
1500 East Bannister Road  
Kansas City, MO, 64131  
www.gsa.gov

(03)16

*Business Clearance Panel*  
Pre-Award SOW Review

Date Reviewed: \_\_\_\_\_

SBGWAC CO (who received review request): \_\_\_\_\_

Project Name: \_\_\_\_\_

Project Number: \_\_\_\_\_

Agency: \_\_\_\_\_

Contracting Officer: \_\_\_\_\_

Point of Contact (if other than CO): \_\_\_\_\_

Government's Estimated Task Order Amount: \_\_\_\_\_

Acquisition History Received (circle)?                      YES                      NO  
ATTACH to review form

GWAC (circle): 8(a) STARS      HUBZone      VETS                      Alliant SB

NAICS identified: \_\_\_\_\_

Scope appropriate for NAICS (circle)?                      YES                      NO  
If no, which NAICS is better fit? \_\_\_\_\_

ODCs balance:  
Dollar Amount: \_\_\_\_\_  
Percentage of estimated Task Order: \_\_\_\_\_

Services v. Products:  
Percentage services: \_\_\_\_\_  
Percentage product: \_\_\_\_\_

Is CO delegated (circle)?                      YES                      NO

Proposed order type (circle):      FP                      Labor Hour                      T&M

COMMENTS/RECOMMENDATIONS:

***Business Clearance Panel***  
**Post-Award SOW Review**

Date Reviewed: \_\_\_\_\_

GWAC (circle): 8(a) STARS      HUBZone      VETS      Alliant SB

Task Order Number: \_\_\_\_\_

Date Awarded: \_\_\_\_\_

Industry Partner contract number: \_\_\_\_\_

Ordering Agency: \_\_\_\_\_

    If FTS, Client Agency: \_\_\_\_\_

Contracting Officer: \_\_\_\_\_

    Is CO delegated (circle)?                      YES              NO

Task Order Amount: \_\_\_\_\_

    If STARS, over \$3 Million fair opportunity (circle)?      YES              NO

Order type (circle): FP              Labor Hour              T&M

NAICS identified: \_\_\_\_\_

Scope appropriate for NAICS (circle)?              YES              NO  
    If no, which NAICS is better fit? \_\_\_\_\_

ODCs balance:  
    Dollar Amount: \_\_\_\_\_  
    Percentage of estimated Task Order: \_\_\_\_\_

Services v. Products:  
    Percentage services: \_\_\_\_\_  
    Percentage product: \_\_\_\_\_

Pass through indicators: \_\_\_\_\_

Splitting indicators: \_\_\_\_\_

COMMENTS/RECOMMENDATIONS (use back side if necessary):

(03)1d



GSA Heartland Region

DATE

RE: Project Name/Number

Dear OCO:

Thank you for your interest in using the **8(a) STARS/HUBZone/VETS** GWAC. The Small Business GWAC Center offers up front business clearance in pursuit of acquisition excellence. **NOTE:** This review is a business clearance NOT a legal review. Please follow your internal agency policy regarding review levels.

The contracting staff has reviewed your statement of work. The following are the comments/recommendations of the staff:

- Point A
- Point B
- Point C
- Point D
- Etc

Again, thank you for choosing the **8(a) STARS/HUBZone/VETS** GWAC for you information technology acquisition. We are available for any questions that you may have throughout the procurement process.

Regards,

Contracting Officer  
GSA Small Business GWAC Center

U.S. General Services Administration  
1500 East Bannister Road  
Kansas City, MO 64131-3088  
[www.gsa.gov](http://www.gsa.gov)

0302



GSA Federal Acquisition Service

OCT -5 2005

Mr. Robert A. Burton  
Associate Administrator  
Office of Federal Procurement Policy  
New Executive Building  
725 17<sup>th</sup> Street  
Room 9013  
Washington, DC 20503

Dear Mr. Burton:

This is in response to the letter from the Honorable Joshua B. Bolten dated July 5, 2005, requesting a quality assurance plan for our government-wide acquisition contracts (GWAC's). I am pleased to report that in drafting the enclosed plan, the General Services Administration has addressed the issues comprehensively, from the standpoint of appropriately managing the contract vehicles themselves and the assisted service business.

GSA is working towards managing its portfolio of GWAC's as a single program. Currently, the program is managed by the Federal Supply Service, Office of Commercial Acquisition and implemented through three GWAC Centers. Under the GSA reorganization the program will transition to the Federal Acquisition Service (FAS), Office of Integrated Technology Services.

GWAC Center responsibilities include award and administration at the contract level, provide customer training, and programmatic oversight. Client Support Center (CSC) responsibilities in service delivery include helping agencies review and select appropriate acquisition vehicles, requirement definition, project management, acquisition planning and execution, financial management, and implementation.

GSA looks forward to continuing to work with OMB and understands the importance of its designation as an executive agent and strongly emphasizes appropriate use of the GWAC's. Should you have any questions please contact Mr. Jeff Koses, Acting Assistant Commissioner for the Office of Commercial, on (703) 605-2855.

Sincerely,

A handwritten signature in black ink, appearing to read "Deidre A. Lee".

Deidre A. Lee  
Assistant Commissioner  
for Integrated Technology Services

Enclosure

U.S. General Services Administration  
10304 Eaton Place  
Fairfax, VA 22030-2213  
[www.gsa.gov](http://www.gsa.gov)

## General Services Administration Executive Agent Quality Assurance Plan

1. Training of Executive Agent Staff – The quality assurance plan (QAP) should describe the training provided to contracting, project, and any other officials of the executive agent that work with customers in developing, placing, and administering orders. The plan should address how training is provided (e.g., coursework, mentoring) and how implementation is tracked.

One of the General Services Administration's (GSA's) strengths has been developing and ensuring contracting personnel have access to high-quality training. In developing new training, GSA will ensure that it follows the provisions of OFFP Policy Letter 05-01, Developing and Managing the Acquisition Contracting Officer Warrant Program (COWP):

GSA's COWP establishes criteria for the selection, appointment, and termination of appointment of GSA Contracting Officer's (CO's). It ensures that GSA has qualified individuals as CO's who meet the organization's needs for contracting authority. The COWP establishes acquisition training requirements for all contracting personnel. All contracting personnel complete a minimum of 40 hours of contract related training annually. Training is a vital tool in improving the quality of our contracts and allows our associates to fill skill gaps, which helps ensure a highly proficient and knowledgeable contracting workforce.

Currently, GSA monitors COWP requirements to ensure that warranted CO's complete all required training. Periodic reviews by management in accordance with the associates' performance review serves as an oversight to ensure compliance with regulations and procedures. All contracting personnel in the government-wide acquisition contract (GWAC) centers have met the requirements of the COWP.

For assisted services, the Federal Technology Service (FTS), Office of the Acquisition monitors training compliance information for all FTS contracting staff. Mandatory training is required to be eligible for the 1102 contracting series and up to 40 hours of continuing education is required annually depending on the type of warranted held by an individual. Training requirements are reviewed prior to issuance of a CO Warrant.

As part of its quality assurance plan, GSA emphasizes individual accountability through Individual Development Plans (IDP's).

At the beginning of the performance period an IDP is completed for each employee. Contracting and non-contracting staff receive counseling on career development and the appropriate training. Managers record the objectives of the training as well as monitor and ensure completion of training objectives. Associates participate in various forms of training, such as conferences, online training, and seminars. Training content includes recent acquisition changes.

GSA encourages both its GWAC Center associates and its assisted service associates to pursue Project Management Professional Certification through the Project Management Institute or to take project management courses through George Washington University. As the Federal Acquisition Institute (FAI) and Defense Acquisition University (DAU) develop and define Project Management competencies, GSA will ensure that its training provides the same competencies.

Other Training:

GSA also strongly encourages that its Project Managers (PM's) receive training. Examples of the training available to GSA PM's include:

- Contracting Officer Representative (COR) Training – Initial and Refresher training through the FAI – online training
  - Technical Evaluation Board (TEB) training – in-house seminar format
  - Information security, physical security, management controls, and ethics training – online GSA training
  - Task Order preparation training for PM's – in-house seminar format originally and now available on video/slides
  - Seminars provided on GWAC's, Section 508, Multiple Awards Schedules (MAS) contracts, GAO Protests, Smart-Buy, and other topics of interest to FTS/ITS project and contracting staff – in-house seminar format
  - Federal Appropriations Law – formal classroom training
  - Oral and Written communications skills – formal classroom training
  - Acquisition staff and more experienced CO's/PM's continuously provide mentoring to other CO's/PM's
  - George Washington University Project Management Certification program – formal classroom training
  - Project Management Institute (PMI) certification – many FTS PM's have obtained or continue to pursue Project Manager Professional (PMP) certification from PMI
2. Customer Training - The plan should describe the training offered to help customers: (i) to decide if use of a GWAC makes sense and (ii) take maximum advantage of the GWAC as an acquisition tool (both for effective and efficient buying). The plan should delineate between mandatory and optional training and any prerequisite skills that customers must demonstrate before being allowed to obligate funds under the GWAC.

Bringing all of the Integrated Technology offerings within one portfolio will enable GSA to help the customer identify the solution best fitting their needs: MAS, GWAC, or other vehicle, self-service or assisted, and work towards strategically sourcing those solutions.

GSA recognizes that self-service and assisted service customers may have different training needs, and is able to support these differences. Before customers are granted a delegation to permit direct ordering, they must complete mandatory GWAC training. The training is designed to ensure the participant's knowledge of GWAC vehicles and their proper use.

The training varies in degree of complexity and is customized to fit customer's individual needs. The training can be delivered on-line, in person, or telephonically. The training is designed to help ensure that the customer understands whether a GWAC is an effective strategy for the specific buy and helps them understand the difference between GWAC's

GSA offers non-mandatory training. As part of its responsibilities associated with managing the GWAC program, GSA has long placed emphasis on developing high-quality training courses. It has awarded a task order to develop an 8(a) STARS on-line training class and anticipates developing courses for other GWAC's. As discussed above, long term plans include developing courses specific to each GWAC. Because developing regular courseware is time-consuming, GSA has concentrated on developing seminars as an interim measure. The following two seminars are geared towards CO's and PM's to help them understand the differences between MAS and GWAC's amongst GWAC's, and to identify the relative advantages of each.

- GWAC Part 1 serves as an introduction to GWAC. This course introduces participants to the GWAC Program Offices that manage the contracts. It presents a description of GWAC, Federal Acquisition Regulations (FAR) associated with using GWAC, OMB Requirements, the differences from Schedules, and an introduction to the ordering process.
- GWAC Part 2 is a course that concentrates on individual contracts and requires the participant to have an advanced knowledge of contracting. This training provides more in-depth material on each specific GWAC and the ordering specifics unique to that contract. Presenters conduct discussions on acquisition related concerns and trends as they relate to GWAC.

For assisted services, FTS works closely with customers to determine the optimal solution for their requirements. As part of the customer solution determination process, FTS reviews GWAC's and other contract vehicle options with the customer and provides pros/cons of each viable option. The customer must have a bona fide need and provide specific information about funds being used for all orders. Client Support Centers (CSC's) may utilize websites to provide customers with an overview of the services offered, provide one-on-one training on available contract vehicles, and utilize customer questionnaires to obtain agency acquisition information.

CSC's providing assisted services offer training for their customers to enhance their knowledge of the types of contract vehicles and contract structures available and the GSA acquisition process. Some of the types of training provided include:

- Technical Evaluation Board (TEB) training – in-house seminar format, provided to both FTS and customer TEB members before the TEB convenes
- Cost-Plus-Award-Fee Determination Board training (performance based) – in-house seminar format, provide to both FTS and customer TB members before Award Fee Board meets

- FTS customer initiation includes many presentations that detail FTS-customer operations including business processes, quality and management controls, acquisition procedures, and post-award project management processes
  - Customer conferences and on-line tutorials may be utilized to inform customers on vehicles and how to use them
3. Task Order Development and Placement - The Quality Assurance Plan (QAP) should address the specific management controls in place (e.g., peer review, legal review, customer agency program review) that are used to ensure orders are properly placed in accordance with applicable laws, regulations, and policies. For example, the plan should address how the agency ensures: (i) orders are within the scope of the GWAC, (ii) competition requirements are followed, (iii) any customer-unique requirements are met, (iv) required justifications are completed, and (v) funding is applied in accordance with appropriation limitations. The plan should identify how each of these issues is addressed for both direct ordering and assisted ordering, including any established review thresholds.

In using the GWAC's, customer agencies have a choice. They can request a delegation to place and administer their own orders through one of the GWAC Centers, or they can obtain assisted services through GSA. GSA does not grant a prospective customer a delegation until the agency is satisfied that the customer can use the GWAC appropriately. The following procedures apply before delegations are approved:

- The customer agency must provide the GWAC Center a copy of the CO's warrant.
- The customer agency must enter into a Memorandum of Understanding with GSA. Amongst other requirements, the MOU establishes operational controls and procedures for the agency to follow.
- Each individual CO placing orders must complete a mandatory GWAC training course discussed below. They may also attend various non-mandatory seminars and pursue other specific training.

Direct Ordering Authority:

When agencies are delegated direct ordering authority, they are responsible for using the contract appropriately including following competition requirements, funding limitations, and utilizing qualified oversight staff. GSA recognizes that it has a role to play in helping agencies use the GWAC's properly. It takes a number of steps to aggressively promote the fair opportunity requirements.

First, GSA strongly encourages agencies to order through e-Buy, GSA's Electronic Request for Quote (RFQ) system. e-Buy is designed to facilitate the request for and submission of quotes or proposals while providing greater transparency to the process. Originally built for MAS buys, e-Buy was expanded in 2005 to facilitate GWAC purchases. Agencies using e-Buy are assured that they have complied with the fair opportunity requirements. e-Buy

automatically sends the RFQ to all contractors in the functional area covered by the purchase. e-Buy also provides additional safeguards to the program. Before GWAC RFQ's can be posted, the buyer must certify that they have a delegation of authority in place and have completed the necessary training. The GWAC Centers receive an automatic report of each GWAC posted, so that they can follow up on the details.

Besides the e-Buy reports, the GWAC Centers also retrieve data on all orders placed against GWAC's from various avenues such as, the Information Technology Solutions Shop (ITSS), Contractors Monthly Status Reports, and customer reports. GSA further strengthened its oversight by delegating authority for fee management to the Contract Management Center. This year GSA is implementing electronic contractor reporting of all task orders. GWAC contractors will go to the GSA's Vendor Support Center website at VSC.GSA.GOV to report sales against each and every order placed.

Providing e-Buy, aggressively reviewing orders placed, and providing oversight of contractor actions gives GSA an array of tools to manage appropriate use of delegated direct ordering authority.

For assisted services, the entire ordering process from customer requirement development and funds receipt, through contract award and administration, to contract and project closeout is reviewed by multiple levels. FTS guidelines and specific thresholds define the level of review individual contract actions must have in both the pre-solicitation and pre-award phases. Reviews may include the contracting staff, Director/Assistant Commissioner/Commissioner, GSA Legal Counsel, GSA Small Business Utilization office, and GSA competition advocate.

Specific management controls include:

- Prior to analyzing the FTS customer requirements and preparing acquisition documentation, the customer must demonstrate a bona fide need, provide the initial scope of work to be accomplished, and specific information about funds being used for the order. The FTS customer must verify that the funds are legally available for the purpose of the acquisition activities to be performed by FTS.
- FTS PM's prepare acquisition strategies for task orders with an estimated value under \$100,000. The acquisition strategy is a concise document that describes the requirement, estimated cost, schedule, recommended contract vehicle, and task order monitoring requirements.
- For task orders with an estimated value over \$100,000, FTS PM's initiate more formal acquisition plans. Depending on the acquisition type and dollar estimate, FTS PM's prepare either a limited acquisition plan or a comprehensive acquisition plan. FTS PM's review the contract scope and structure prior to preparing their respective acquisition plan. Acquisitions plans must meet FAR requirements for content and include: acquisition background and objectives; plan of action, e.g., use of GWAC's, non-GSA GWAC's, GSA GWAC's (e.g., Millennia, ANSWER), MAS, Single Agency, Directed 8(a), or Full and Open; and Additional Considerations. Acquisition plans

must be reviewed and approved by an FTS Peer Reviewer; applicable Group Manager; and the CO prior to issuance.

- The CO verifies that the requirement is within the scope of the basic contract. For Multiple Award Delivery Orders contracts (e.g., Millennia), the CO will provide each contract awardee with a fair opportunity to be considered for each order. For MAS requirements, acquisition personnel ensure adequate competition is sought by either electronically issuing the solicitation to industry partners within an identified service area (SIN) via e-Buy or providing the solicitation to multiple vendors with the intent to receive a minimum of three bids.
- New acquisitions over \$5 million in total value or task order modifications that exceed 5 percent of the total task order value must be reviewed and approved by a CSC Contract Review Panel (CRP). CSC's may use three types of CRP sessions: (i) acquisition plan session, where the acquisition plan and overall strategy is reviewed and approved; (ii) a pre-solicitation session where applicable acquisition documentation (e.g., task order request or RFP, IGCE, Technical Evaluation Plan) is reviewed; and (iii) a pre-award session where the TEB chairperson presents the TEB report and any other relevant documentation to the CRP. For complex technical and/or high profile acquisitions that require specialized acquisition assistance early in the project, FTS PM's may request an advice and counsel CRP session to discuss appropriate acquisition approaches and strategies prior to developing any acquisition documentation. The advantage of this type of CRP session is having contracting associates, GSA Legal Counsel, and technical personnel together at one time, early in the acquisition life cycle to identify a proper acquisition approach for high profile acquisitions.
- For FTS acquisitions that are within CRP dollar thresholds, but are sent to an external contracting partner (outside GSA) for action and award, FTS reviews and approves all acquisitions plans and acquisition documentation prior to being forwarded to the external contracting partner.

Each CSC undertakes regular reviews of randomly chosen task orders to ensure proper procedures are being followed and appropriate documentation incorporated into the project and contract folders. In addition, CSC's may conduct project reviews (on-site or via teleconference) between PM's, customers, and industry partners to ensure task activities are being completed in accordance with the contract expectations.

4. Order Implementation - The QAP should address how contractor performance is administered. The QAP should clearly delineate both the agency's role and the customer's role in contract administration, especially for services over \$100,000 and tasks issued on a time and materials basis. For example, the QAP should address if the agency requires the customer to assign a COR to monitor the contractor's performance and, if so: (i) who designates the COR, (ii) who outlines the COR's duties, and (iii) who ensures the COR has the relevant expertise and training.

For direct order tasks, GSA does not normally have a substantive role in order administration. Instead, order administration is normally the responsibility of the ordering agency. In delegating authority, GSA charges the agency CO with the following specific

responsibilities in accordance with FAR 42.302 and GSAR 542.302. The agency CO, in turn, is responsible for ensuring that the COR has relevant experience and training. In delegating direct ordering authority, GSA requires that the ordering agency CO:

- Assign Contracting Officer's Technical Representative (COTR) responsibilities and work closely with the COTR in technical contract administration. Assure that the COTR is apprised of his/her specific responsibilities and authority, as well as limitations thereof. Copies of the letter must be provided to the Procuring Contracting Officer (PCO) so that the PCO may advise the contractor.
- Place all orders under the contract that are determined to be within the scope of the contract and your delegation. All orders shall be administered by the ordering agency CO.
- Terminate individual orders for convenience or default in accordance with the terms and conditions of the contract.
- Respond to any Freedom of Information Act (FOIA) requests in relation to delivery orders and applicable post-award contract actions.
- Serve as the central point for coordinating liaison with the contractor and with ordering agencies; assist by clarifying contract terms and contractor responsibilities or successful contract performance. Provide the contractor and agencies with final written interpretations of contract terms and conditions.
- Assure timely performance of delivery orders and monitor compliance with the terms and conditions of the delivery orders under the terms of the contract. Take appropriate action to protect the Government's interests under the terms of the contract.
- Report to the GSA PCO any inadequacies in contract specifications and recommend corrective action thereof.
- Monitor contractor compliance with EEO provisions of the contract and resolve problems of non-compliance.
- Monitor contractor compliance with safety requirements, including handling of hazardous materials. Identify any instances of non-compliance and take appropriate action. Conduct follow-up activities to ensure that corrective measures are employed.
- Monitor contract expenditures of all delivery orders within your authority, and provide the information as required to the PM.
- Prepare findings and furnish to the GSA PCO recommendations thereof relative to (a) institution of termination procedures; and (b) any disputes arising under the contract. Recommend the issuance of show-cause, cure, and stop-work order notices as appropriate. Additionally, issue these instruments when requested by the GSA PCO.
- Approve or disapprove subcontract requests, up to the limitation of your warrant.

When GSA places the order on behalf of another agency, contractor performance is monitored through the following contract administration activities:

- To properly implement a FTS task order, the CO issues a COR designation letter to the FTS PM who will manage the task order. The COR designation letter provides

the COR with specific duties and responsibilities of task order administration. The PM must provide the CO with written proof of attending COR training (and COR refresher training, if applicable) to be designated as the COR.

- Under special circumstances (e.g., when there is significant day-to-day contractor on-site monitoring or an OCONUS task order), an individual task order may designate (with CO approval) a customer point-of -contact (POC), sometimes referred to as a Technical POC (TPOC) or COTR, to manage day-to-day task order responsibilities. However, the customer TPOC cannot direct the contractor, alter the scope of work, or perform the official duties of the FTS COR. The FTS COR manages the task order and has the authority to sign contractor invoices and to interface with the contractor.
  - Performance-based task orders have a CO-approved, Quality Assurance Surveillance Plan (QASP) that the FTS PM's, the customers, and the contractors use during the task order's period of performance to ensure that work is properly performed, on-time, and on budget. The results of the QASP are often used as a basis for a contractor's profit (or fee) at the conclusion of an award fee determination board (for cost-plus-fixed-fee task orders). The award fee determination board meets periodically with the contractor (e.g., once a quarter) to assess contractor performance based on pre-determined performance metrics.
  - For Time and Materials (T&M) task orders, FTS COR's monitor task orders vigilantly, using earned value management (EVM) in accordance with established rules and business practices, as well as other tools and techniques acquired through PMI-certified classes, to provide proper post-award task order management. In addition, some T&M task orders have task order specific QAP's and/or QASP's that the FTS PM and contractor use to monitor task order performance.
5. Management Review - The agency should periodically review the effectiveness of the QAP. The plan should explain how effectiveness will be measured and the mechanisms the agency will employ if weaknesses are identified. The plan should also identify the steps to agency has taken, or will take, to establish a performance rating system that provides incentives to contracting officials to exercise due diligence.

GWAC Centers periodically review their Management Control Plan for determination of effectiveness. Annual certification of the Management Control Plan annually is submitted to GSA Central Office.

GSA has established a robust performance measurement program, based on the principles of a balanced scorecard. In 2005, GSA added a new measure pertaining to the quality of contracts. Specifically, as part of our efforts to ensure contract quality, GSA implemented a five-tier performance appraisal system called APPAS. APPAS has been designed to cascade key measures, such as contract quality, from the scorecard workgroup level to the individual associate level. APPAS is designed so that each individual has his/her own plan. In future years, GSA anticipates that refinements and improvements in APPAS, along with strong oversight from the new FAS Acquisition Management Organization will ensure that CO's exercise due diligence.

Actions on this front are well underway. In the GWAC Centers, APPAS was designed to ensure that each CO has a measure about awarding and administering quality contracts. Specifically, GSA GWAC's have a critical element pertaining to timely review of task orders for scope and other problem areas. The measure is 95-99 percent of orders over \$100,000 are reviewed within 60 days of notice of issuance of the task order.

GSA performance measures are guides used by GWAC Centers to determine the effectiveness of the Management Control Plan. Based on GSA organizational performance measures, OMB requirements, and acquisition policy the GWAC Centers modify the Management Control Plan to ensure adequate oversight of GWAC vehicles. The following highlights some requirements of the Management Control Plan:

- Inputs OMB data into database applications and into the GWAC Task Order Management System.
- Conduct annual past performance reviews of task orders issued against the contracts through questionnaires from customers.
- Follow up with industry partner and customer when poor performance is detected.
- Conduct regular program management meetings to keep industry partners informed of any changes or program issues
- Conduct performance reviews as specified by the terms and conditions of the contract.

Similarly, GSA has used the APPAS system and new management controls, in the assisted services business to ensure that these CO's exercise due diligence. The information provided in areas 1-4 of this draft plan describe the management controls in place to ensure quality. When weaknesses are identified, FTS revisits applicable policies and procedures to revise them as necessary. Managers are required to demonstrate, via quarterly report and/or quality checklists, that they are reviewing activities for appropriate use of funds, contracts, and closeout status. Performance measure metrics have been implemented to monitor the quality of the acquisition process, e.g., promoting competition and performance based contracting.

FTS has developed a five-year Management Control Plan in accordance with OMB A-123. FTS has completed the required management controls testing and annually submits management assurance statements. FTS will incorporate QAP effectiveness as part of the management controls review and update the plan as needed.

Report Number/Title	Recommendation Number	Proposed Completion Date
A   0   5   0   2   1   3   Q   6   P   0   7   0   0   1	0   4	0   6   3   0   0   6

**Recommendation**

4. Develop a standardized SOW review process to maintain consistency in scope review.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent To BECA</u>	<u>Documentation will be Sent Last Day of</u>
1. The center has developed a standardized pre and post award statement of work review process.	Documentation attached (see documents in 03 (01)	Completed

Report Number/Title	Recommendation Number	Proposed Completion Date
A   0   5   0   2   1   3   Q   6   P   0   7   0   0   1	0   5	0   6   3   0   0   6

**Recommendation**

5. Develop standardized procedure for timely review and follow-up of subcontracting reports.

<u>Action to be Taken Step by Step</u>	<u>Supporting Documentation to be sent To BECA</u>	<u>Documentation will be Sent Last Day of</u>
1. The Center has developed a standardized procedure for timely review and follow up of subcontracting reports	Documentation attached	Completed

Subcontracting Report Review

1. Receive subcontracting report from industry partner.
2. Log receipt of report into tracking file for appropriate report period.
3. Save copy of report to appropriate folder on I: drive.
4. Check report for completeness and accuracy.
  - a. Check to ensure all functional areas of have been reported
  - b. Check against Lotus Notes database to see if all task orders have been reported
  - c. Check dollar value reported against dollar value entered in Lotus Notes database.
  - d. Make note of:
    - i. any task orders reported that are not in the Lotus Notes database
    - ii. any dollar value reported that does not match dollar value in Lotus Notes database
5. Contact the industry partner for corrective action, if necessary
  - a. Missing task order information - if not previously reported as complete
  - b. Modifications to task orders if dollar values do not match up
6. Once report is complete and accurate, make note in tracking file as being complete.
7. Enter information submitted in the report to the consolidated master subcontracting file for the industry partner.
8. Record any contract that is subcontracting greater than 50% of the work in the master file of industry partners subcontracting greater than 50%.
9. PCO will request an action plan from the Industry partner to correct the percentage of work being subcontracted.
10. The PCO(s) will exercise judgmental discretion in whether a contract administration response is required based upon the subcontractor report data, and just what the response should be based upon the nature of the findings. The range of response may include, but certainly isn't limited too
  - 1) No further action
  - 2) Additional fact finding
  - 3) Place the contractor on a watch-list
  - 4) Communicate concerns to the contractor verbally and recorded by report of contact
  - 5) Communicate concerns to the contractor in writing
  - 6) Initiate unilateral agency contracting action
  - 7) Initiate a bilateral contracting action
  - 8) Decline to exercise a basic contract option period, after which no new orders may be issued to the contractor for which competition has not already begun. Existing task orders may be

completed to term, but the ordering contracting officer will need to exercise judgment and discretion about exercising task order options."

IMPLEMENTATION REVIEW OF AWARD FOR STREAMLINED TECHNOLOGY  
ACQUISITION RESOURCES FOR SERVICES (STARS)  
GOVERNMENT-WIDE ACQUISITION CONTRACT (GWAC),  
REPORT NUMBER A050213/Q/6/P07001 DATED DECEMBER 27, 2006  
ASSIGNMENT NUMBER A090024

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